

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of AM/PM SHUTTLE SERVICE, LLC, a California Limited Liability Company, for a Certificate of Public Convenience and Necessity to provide on-call, door-to-door, passenger stage service between Palm Springs International Airport, Ontario International Airport, Los Angeles International Airport, John Wayne Airport, Long Beach Airport, Burbank Bob Hope Airport, Coachella Music & Arts Festival Grounds, and points in Riverside County (Coachella Valley); and, to establish a Zone of Rate Freedom.

Application 13-10-014  
(Filed October 25, 2013)

**D E C I S I O N   G R A N T I N G   A P P L I C A T I O N****Summary**

This decision grants the application of AM/PM SHUTTLE SERVICE, LLC , a California Limited Liability Company, pursuant to Pub. Util. Code §§ 1031, et seq., for a Certificate of Public Convenience and Necessity to operate as a Passenger Stage Corporation, as defined in Pub. Util. Code § 226, and to establish a Zone of Rate Freedom, pursuant to Pub. Util. Code § 454.2.

**Discussion**

AM/PM SHUTTLE SERVICE, LLC (Applicant), requests authority to operate as an on-call Passenger Stage Corporation (PSC) to transport passengers and their baggage between points in Riverside County (Coachella Valley cities), on the one hand, and Palm Springs International Airport (PSP), Ontario International Airport (ONT), Los Angeles International Airport (LAX), John

Wayne Airport (SNA), Long Beach Airport (LGB), Burbank Bob Hope Airport (BUR), and the Coachella Music & Arts Festival Grounds (MFG), on the other hand. According to Applicant, customers are willing to share-ride to and from airports due to the rising fares of exclusive-charter service, traffic congestion and other factors affecting daily commuting. This proposed service will encourage the public to share ride and reduce congestion on the highways. A California Environmental Quality Act review is not required because approval of the application will not have a significant adverse effect on the environment.

Applicant's Member/Chief Executive Officer, Gregory L. Daffon Jr., has been operating a charter party carrier service for about four years. The proposed service will initially operate with six seven-passenger vans. Applicant will procure more equipment, and/or use the service of subcontractors, if needed, to expand the fleet. Attached to the application as Exhibit D is Applicant's balance sheet that discloses assets of \$200,900, liabilities of \$69,000, and net worth of \$131,900.

The proposed fares, as described in Exhibit B of the application, range between \$12 and \$152, depending on distance to and from the airport. Applicant requests authority to establish a Zone of Rate Freedom (ZORF) of plus or minus \$5 for fares less than \$20, plus or minus \$10 for fares \$20 to \$39, and plus or minus \$20 for fares \$40 or more. The minimum fare will be \$7. Applicant will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and private automobiles in their service area. This highly competitive environment should result in Applicant pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on November 1, 2013. Applicant requests a waiver from the provisions

of Rule 3.3(b) of the Commission's Rules of Practice and Procedure, which require that a copy of the application be served on each public transit agency in the service area and a notice of the application be sent to all city and county officials within whose boundaries the passengers will be loaded or unloaded. Applicant mailed a notice of the application to 24 cities, counties, airports, and transportation planning agencies in the service area. Applicant believes the Commission's Daily Calendar provides adequate notice to parties that may have an interest in the application. We shall exercise the discretion accorded to us by Rule 1.2 and grant the waiver requested by Applicant because it will be providing on-call service, not scheduled service, and service on all of the governmental entities required by Rule 3.3(b) would be burdensome.

In Resolution ALJ 176-3326, dated November 14, 2013, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3326.

### **Waiver of Comment Period**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

### **Safety Considerations**

In order to be authorized to commence operations as a PSC, the Applicant must comply with the following requirements in order to protect public safety: Proof of insurance pursuant to General Order Series 101, compliance with the controlled substance and alcohol testing program pursuant to Pub. Util. Code

§1032.1 and General Order Series 158, and enrollment in the pull notice system as required by Section 1808.1 of the Vehicle Code.

### **Assignment of Proceeding**

Denise Tyrrell is the assigned Examiner in this proceeding.

### **Findings of Fact**

1. The application requests authority to operate as an on-call PSC to transport passengers and their baggage between points in Riverside County (Coachella Valley cities), on the one hand, and Palm Springs International Airport (PSP), Ontario International Airport (ONT), Los Angeles International Airport (LAX), John Wayne Airport (SNA), Long Beach Airport (LGB), and Burbank Bob Hope Airport (BUR), and Coachella Music & Arts Festival Grounds (MFG), on the other hand.

2. Public convenience and necessity requires the proposed service.

3. Applicant requests authority to establish a ZORF of plus or minus \$5 for fares less than \$20, plus or minus \$10 for fares \$20 to \$39, and plus or minus \$20 for fares \$40 or more for the proposed fares described in Exhibit C of the application. The minimum fare will be \$7.

4. Applicant will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and private automobiles in their operations.

5. Applicant requests a waiver of the notice requirements of Rule 3.3(b) of the Rules of Practice and Procedure as it has served a notice of the application to 24 cities, counties, airports, and transportation planning agencies in the service area.

6. No protest to the application has been filed.

7. A public hearing is not necessary.

8. A California Environmental Quality Act review is not required for this decision because it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment.

### **Conclusions of Law**

1. Public convenience and necessity has been demonstrated and the application should be granted.
2. The request to waive the notice requirements of Rule 3.3(b) should be granted.
3. The request for a ZORF should be granted because the ZORF is fair and reasonable.
4. Before Applicant changes any fares under the ZORF authorized below, Applicant should be required to give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points.
5. Because the matter is uncontested, the decision should be effective on the date it is signed.

### **O R D E R**

#### **IT IS ORDERED** that:

1. A Certificate of Public Convenience and Necessity is granted to AM/PM SHUTTLE SERVICE, LLC , a California Limited Liability Company, authorizing it to operate as a Passenger Stage Corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers and their baggage between the points and over the routes set forth in Appendix PSC-32501, subject to the conditions contained in the following Ordering Paragraphs.
2. AM/PM SHUTTLE SERVICE, LLC shall:

- a. File a written acceptance of this certificate within 30 days after this decision is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this decision is effective.
- c. File tariffs on or after the effective date of this decision. The tariff shall become effective ten days or more after the effective date of this decision, provided that the Commission and the public are given not less than ten days' notice.
- d. Comply with Commission General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
- e. Comply with the Commission's controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and Commission General Order Series 158.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so. Failure to comply with this filing will result in suspension and/or revocation of authority.
- g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- f. Enroll all drivers in the Pull Notice System as required by Vehicle Code § 1808.1.

3. AM/PM SHUTTLE SERVICE, LLC is authorized under Pub. Util. Code § 454.2 to establish a Zone of Rate Freedom of plus or minus \$5 for fares less than \$20, plus or minus \$10 for fares \$20 to \$39, and plus or minus \$20 for fares \$40 or more for the proposed fares described in the application. The minimum fare is \$7.

4. AM/PM SHUTTLE SERVICE, LLC shall file a Zone of Rate Freedom (ZORF) tariff with the Commission and the public in accordance with the application at least ten days before the effective date of the tariff. The ZORF

shall expire unless exercised within 120 days after the effective date of this decision.

5. AM/PM SHUTTLE SERVICE, LLC may make changes within the Zone of Rate Freedom by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

6. In addition to posting and filing tariffs, AM/PM SHUTTLE SERVICE, LLC shall post notices explaining fare changes in their terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

7. AM/PM SHUTTLE SERVICE, LLC (Applicant) is authorized to begin operations on the date that the Commission's Safety and Enforcement Division mails a notice to Applicant that its evidence of insurance and other documents required by Ordering Paragraph No. 2 have been filed with the Commission and that the California Highway Patrol has approved the use of Applicant's vehicles for service.

8. Before beginning service to any airport, AM/PM SHUTTLE SERVICE, LLC (Applicant) shall notify the airport's governing body. Applicant shall not operate into or on an airport property unless such operations are authorized by the airport's governing body.

9. The Certificate of Public Convenience and Necessity to operate as Passenger Stage Corporation-32501, granted herein, expires unless exercised within 120 days after the effective date of this decision.

10. The notice requirements of Rule 3.3(b) of the Commission's Rules of Practice and Procedure are waived as a notice of the application has been served on parties that may have an interest in this proceeding.

11. The Application is granted as set forth above.
12. This proceeding is closed.

This decision is effective today.

Dated \_\_\_\_\_, at San Francisco, California.



CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-32501

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Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges.

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All changes and amendments as authorized by  
the Public Utilities Commission of the State of California  
will be made as revised pages or added original pages.

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Issued under authority of Decision , dated , of the Public Utilities  
Commission of the State of California in Application 13-10-014.

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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,  
LIMITATIONS, AND SPECIFICATIONS.

AM/PM SHUTTLE SERVICE, LLC, a California Limited Liability Company, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, are authorized to transport passengers and their baggage on an "on-call" basis between the points described in Section II, over the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- B. The term "on-call," as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- C. No passengers shall be transported except those having a point of origin or destination as described in Section IIB.
- D. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

- A. Points in Riverside County (Coachella Valley cities)
- B. Palm Springs International Airport (PSP)  
Ontario International Airport (ONT)  
Los Angeles International Airport (LAX)  
John Wayne Airport (SNA)  
Long Beach Airport (LGB)  
Burbank Bob Hope Airport (BUR)  
Coachella Music & Arts Festival Grounds (MFG)

SECTION III. ROUTE DESCRIPTIONS

Commencing from any point described in Section IIA, then over the most convenient streets and highways to any point described in Section IIB.